(287)

UNITED NATIONS

TD

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/1313
15 January 1992

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Thirty-eighth session
First part

Report of the Expert Group on Trade Financing Mechanisms in and among Developing Countries

Geneva, 11-12 July 1991

Report by the UNCTAD Secretariat

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GE.92-50087/4118B

I. ORGANIZATIONAL MATTERS

(a) Opening of the meeting

(Agenda item 1)

1. The Ad Hoc Expert Group Meeting on Trade Financing Mechanisms in and among Developing Countries was opened on 11 July 1991 by the Deputy to the Secretary-General of UNCTAD and Director of the Commodities Division, Mr. Carlos FORTIN, who made an introductory statement (paras. 6-7).

(b) Election of officers

(Agenda item 2)

2. At its first meeting, on 11 July 1991, the Ad Hoc Expert Group elected the following officers to serve on its bureau:

Chairman:	Mr. Kalyan BANERJI (India)
Vice-Chairmen:	Mr. T. OZKAN (Turkey) and Mr. John HALL (United Kingdom)
Rapporteur:	Mr. Noel L. BENNETT (Jamaica)

(c) Adoption of the agenda and organization of work

(Agenda item 3)

3. At the same meeting, the Ad Hoc Expert Group adopted the provisional agenda for its session as follows:

1. Opening statement by the representative of the Secretary-General of UNCTAD.
2. Election of officers.
3. Adoption of the agenda and organization of work.
4. Review of trade financing facilities in developing countries.
5. Review of the feasibility study on the Interregional Trade Financing Facility.
6. Other business.
7. Adoption of the report of the Ad Hoc Expert Group Meeting.

4. With regard to its organization of work, the Ad Hoc Expert Group Meeting agreed to discuss items 4 and 5 in an informal working group, to allow for a free-ranging discussion of the issues and a direct exchange of views with participants who had been actively involved in the issues of trade finance.

(d) Attendance

5. The participants in the meeting included experts from 20 national export-import, finance or insurance institutions or banks, as well as representatives of the Asian Development Bank and the Geneva and New York chapters of the Group of 77. The list of participants is annexed.

II. DISCUSSION

Review of trade financing facilities in developing countries

(Agenda item 4)

6. In his opening statement, Mr. Carlos FORTIN, Deputy to the Secretary-General of UNCTAD, welcomed the experts and explained the background to the Ad hoc Expert Group Meeting on the issue of trade financing in developing countries. He also reminded the experts of the various forums in which the issue of trade financing in developing countries has been discussed since 1981.

7. Turning to the substantive issues, he then introduced the three main documents presented to the expert group meeting (UNCTAD/Misc.87, 88 and 89). He also drew attention to the conclusion emerging from these studies: that developing countries had manifestly an important problem regarding trade finance and that this problem reflected both a functional gap and institutional underdevelopment. He added that if developing countries' efforts to liberalize and extend their trade were to succeed, they would have to solve the difficulties they faced, especially in regard to non-traditional exports. In this connection, he pointed out that developing countries ought to do everything possible to promote trade financing not only individually, but also through collective efforts. The idea of an interregional trade financing facility would undoubtedly be a focal point in developing country cooperation in the coming years and a yardstick by which international cooperation among the North and the South would be measured.

8. The representative of the UNCTAD secretariat then made a statement in which he reviewed the main analytical issues raised in the three studies. He summarized not only the principal reasons for the inadequacy of trade finance in developing countries but also the conclusions and the recommendations reached in the reports. He then called upon the experts to critically evaluate the studies by looking at both the institutional and the functional gaps in developing countries' trade finance, at national and regional levels, as well as to address the issue of what constituted traditional or non-traditional products.

9. During the discussion which followed, some experts expressed the view that, for the least developed countries, the problem of the availability of trade credits was a major constraint for the export sector at all levels; that is at both pre-shipment and post-shipment stages as well as for short-term and long-term finance.

10. The view was expressed that in some indebted countries, capital flight presented serious problems for internal stability. A policy aimed at reducing capital flight would undoubtedly make more funds available for domestic use, including trade finance. Some experts reported that, at least in the case of exports of primary commodities and minerals, there was no requirement for additional finance. All exports of such commodities were automatically funded, as they required mainly self-liquidating credits.

11. One expert stated that exports should be viewed in the context of the overall export cycle which spanned across the first stage of the production process to the final stage of shipment. Finance was required at all stages and not only at the final stage of exports. Furthermore, for some African countries, finance at the production stage was essential and this presented a major bottleneck in the development of exports. It was also stated that pre-shipment finance was the major factor determining growth of exports in the early stages of development, as the experience of the more advanced developing countries of South-East Asia had shown.

12. For most countries which had reached a relatively high degree of industrialization, with exports that were well-established and profitable, it was felt that the need for trade finance was mostly limited to long-term, post-shipment finance and to ensuring that domestic banks and institutions made prompt, quick and direct credit disbursements to exporters.

13. It was also reported that, given the varied levels of economic development among developing countries, the degree and level of development were the major factors determining the type and level of financial needs of each country. In this connection, the poorer the country and the lower the degree of industrialization, the greater the need for direct support from Governments in the form of subsidies. However, for countries with major financial constraints, external funding was the only possibility for eliminating this bottleneck, thereby meeting their trade financing needs. In this connection, one expert added that he felt that there was an urgent need to strengthen domestic financial institutions which directly supported manufacturers' exports, so as to create income and employment as a by-product of export promotion. In the longer run, as countries developed and their export sector became established and financially viable, the need for direct support would lessen, as they would be able to stand on their own. Indirect support, however, would still be required in the form of marketing, information, etc.

14. One expert pointed out that in the case of a middle-income country with strong export performance, the only problems facing exporters concerned exports to other developing countries. These related to both short-term - long-term and pre-shipment - post-shipment credits, particularly for the small and medium-sized manufacturer/exporter. This, he said, might explain why the bulk of exports from the newly industrializing countries (NICs) and new NICs were being shipped mainly to developed countries.

15. Several experts also expressed the view that insurance and guarantee schemes played an important role in mobilizing trade credits. In the case of bank lending, the provision of insurance or guarantees would greatly encourage banks to lend more money for both pre-shipment and post-shipment exports. Such facilities could be established at both national and international levels. An analogy was drawn in this regard to the recent cooperation programme between the Bern Union and the World Bank in providing bigger cover for credit-worthy countries.

16. It was stated that, with the exception of the Inter-American Development Bank and the Islamic Development Bank, no concerted efforts had been made on the part of regional development banks to support directly the exports of developing countries.

17. Furthermore, as regards Bladex, most experts saw it simply as a part of the network of correspondent commercial banks and not devoted specifically to the promotion and development of exports per se.

18. On the issue of the definition of non-traditional exports, the experts felt that this depended very much on the country concerned but that, in general, non-traditional exports were those resulting from new production patterns as opposed to old ones. They could not be defined in terms of primary commodities, manufactures, etc.

Review of the feasibility study on the Interregional Trade Financing Facility

(Agenda item 5)

19. Mr. Paul Sacks, representing the consultancy firm which had prepared the study, made a presentation outlining the main features of the institution and the various scenarios for its resources and lending capacity.

20. The discussion on the feasibility study of an interregional trade financing facility (ITFF) centred on a number of issues relating both to (i) the viability of the institution under the various envisaged scenarios as well as (ii) its ability to meet the financial and development needs of export expansion by developing countries.

(i) Viability

21. A statement was made by one expert regarding the financial viability and profitability of the proposed ITFF. In particular, he said that, in his view, the proposal was rather optimistic in its assumptions regarding the leverage ratio of 1:5, that the estimates of overhead costs were low in relation to the volume of projected business and that provisions against loan losses were inadequate. He believed that this might explain why the proposed facility was projected to be profitable even under the most unfavourable scenario.

22. On a related issue, some experts expressed scepticism concerning the proposed guarantees to be provided by the central banks and wondered whether they were sufficient to give the ITFF adequate financial backing in order for it to command credibility and good standing in international financial markets and therefore raise funds in sufficient amounts and on competitive terms.

23. Another expert drew the meeting's attention to the fact that if the facility was entrusted with the financing not only of export transactions but also of the investments required for the production and manufacture of goods, then an entirely different approach to assuring its viability would be required. He said that the market perception of such an institution, and therefore its ability to raise funds, hinged closely on its lending activities. In his view, the facility should limit itself to export financing.

(ii) Ability to meet financial and development needs

24. As regards the various scenarios presented in the feasibility study, a proposal was made that the "problem case" scenario should be revised to become the basic scenario, as it was the most realistic model of the situation facing the developing countries. In particular, it would meet their needs for medium- and short-term finance and provision of credit to all classes of borrowers.

25. It was argued by some experts that such an approach would give the facility a development dimension which it lacked in its present form. Other participants, however, felt that despite the fact that there was no explicit mention of the development aspect, the institution was clearly designed to meet, inter alia, this objective. This was so because of the relatively low spreads over LIBOR*, the collective responsibility for losses by guarantors and the envisaged gradual shifting of assets from short- to long-term credit.

26. A statement was also made regarding the inherent contradiction in the fact that the proposed facility was projected to operate by offering credits at spreads over LIBOR which were much higher than the rates offered on the Bond markets to the large borrowing countries defined in Class A. This would obviously mean that these countries would have no use for such an institution. Likewise, some experts questioned the criteria used in the definition of the various classes and pointed out that the main scenario, by which the facility would lend only to Class A countries, was neither practical nor politically feasible.

27. Drawing on the experience of a successful case from the NICs, one expert recommended that, for the institution to enhance its viability and standing in international capital markets, the facility should also finance exports of developing countries to the North; that it should adopt a more advanced approach to the mismatching of assets and liabilities in terms of currencies and interest rates; that the proportion of medium-term finance to short-term finance should take into account the structure of export of each country; and that the institution's access to the a forfait market should not lead it to ignore the potential gains to be made from interest differentials.

28. A lengthy discussion took place regarding the operational aspects of the proposed ITFF. A number of questions were raised regarding inter alia: (i) the costs of credits; (ii) the various financial instruments for the exchange rate covers, interest differentials, forfaiting and factoring; (iii) the relationship between the ITFF and the focal points, as well as (iv) efficient and modern management techniques. Although a number of suggestions were made by experts on all of the above-mentioned points, a

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* London interbank offered rate.

consensus emerged from the discussion that it would be premature at this stage to address these issues. It was agreed that the question of feasibility should be distinguished from that of the viability of the institution. As regards the former, the experts agreed that there was a strong need for trade finance for the non-traditional exports of developing countries both for pre- and post-shipment and that even in the case of the NICs, the facility would provide additional resources at relatively low cost.

29. It was also agreed that the studies prepared for the meeting demonstrated that such a facility would be sound and feasible. However, as regards its viability, it was suggested that the study should be revised so as to merge various scenarios and include a more pessimistic scenario in order to test its theoretical viability. The real test, however, would rest with the marketplace.

III. SUMMARY AND RECOMMENDATIONS

30. The experts considered the three documents prepared by UNCTAD, (UNCTAD/ECDC/Misc.87, 88 and 89) and discussed at length the technical and substantive issues raised. They commended the quality of the documents. They recognized that the documents reflected an appreciation of the problems of developing countries and made a realistic assessment of the possibilities of creating a commercially viable International Trade Financing Facility (ITFF). In the light of their experience, and as a result of their discussions, they made the following summation and recommendations:

(1) The experts believe that many developing country exporters suffer an acute paucity of foreign-exchange resources for trade financing. They are of the opinion that this paucity of credit exists for all classes of exports, especially non-traditional exports for a wide range of developing countries at different stages of development.

(2) The experts believe that it would not be advisable at this juncture to draw sharp distinctions between traditional and non-traditional exports. It is their judgement that even traditional exporters may need in present markets more than short-term credit to meet their pre- and post-shipment requirements. They also concur that the difficulties and paucity of foreign-exchange resources are particularly acute in pre-shipment credit and for non-traditional exporters to other developing countries. As non-traditional exports are estimated to grow fast, the demand for foreign-exchange resources to find imported inputs is likely to increase and represent a major barrier to increasing exports.

(3) The experts concur with the findings of the Secretariat that the financial infrastructure of most developing countries suffers from several gaps: in the majority of developing countries there are institutional and functional gaps; there is also a dearth of foreign-exchange resources. In this respect, they believe that developing countries should be encouraged to address these gaps by, inter alia, simplifying the administrative procedures, shortening the time of processing credit applications and, to the extent possible, increasing the resources made available to trade-finance institutions. They also concur that appropriate policies for export promotion should be pursued by developing countries together with a supportive macroeconomic environment. However, the experts believe that there are obvious limits to developing country resources and that the needs and gaps identified by the Secretariat cannot all be answered by domestic action alone. Accordingly, they find real merit in the idea of an International Trade Financing Facility (ITFF) conceived as complementary to national institutions and initiatives.

(4) The experts believe that the increasing liberalization in the developing economies and their increasing emphasis on promoting exports and furthering participation in world trade would be enhanced and underpinned by an international facility.

(5) The experts believe that a facility which finances and refinances in foreign exchange developing country exports can be commercially feasible. Such a facility should initially concentrate its activities on short-term credit and increase gradually its medium-term credit and it should have design characteristics which assure that it will fulfil its targeted volume of trade financing and maintain the quality of its portfolio. It is their opinion that such a facility would bring financial additionality, pool risks, provide credit and trade information and secure economies of scale and cost advantages. The experts believe that in order to fulfil these objectives, a broadly based shareholding population would be highly desirable. They strongly believe that the initiative for launching this facility must come from the developing countries and their institutions, public and private. However, the participation of developed countries and their institutions, public and private, and the appropriate multilateral funding institutions would be crucial for its success and market credibility.

(6) The experts believe that all participating developing countries would benefit from such an ITFF: the most credit-worthy developing countries would have an additional source of finance without increasing their exposure in credit markets and information gains would accrue, while developing countries of lesser credit standing would have obvious financial access to foreign-exchange resources and additionality and gain from association with the ITFF.

(7) The experts believe that both international banks and participating developed countries would also benefit from an ITFF which can serve as a credit enhancement mechanism for taking trade-credit risk for developing countries. The ITFF would have a favourable impact on trade with the developed countries and because of its wholesale credit operations in the financial markets, favourable cost advantages would accrue to the international commercial banks.

(8) The experts reviewed the technical and financial feasibility of the proposal submitted by UNCTAD. They recommend, in particular, that the base-case scenario be further refined and that, upon a formal decision being taken to establish an ITFF, further technical refinements of the proposal should be made in the light of the proceedings of the meeting.

(9) They recognize in particular, that the function of an ITFF is extremely important for developing countries. However, its institutional framework requires further refinement so as to strengthen complementarities with existing agencies and avoid duplication.

(10) The experts recommend broadening the range of substantive consultations on the ITFF to include the multilateral financial institutions and the secretariat of the Organisation for Economic Co-operation and Development, so as to ensure the complementarity of the ITFF concept with their respective mandates.

Annex

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United Nations Conference
on Trade and Development

Distr.
GENERAL

TD/B/1314
15 April 1992

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Thirty-eighth session
Second part
Geneva, 21 April 1992
Item 1(a) of the provisional agenda

ADOPTION OF THE AGENDA AND ORGANIZATION OF THE WORK OF THE SESSION

Provisional agenda for the second part of the thirty-eighth regular session of the Board and annotations to the provisional agenda

I. REVISED PROVISIONAL AGENDA 1/

1. PROCEDURAL MATTERS

   (a) Adoption of the agenda and organization of work of the session;

   (b) Adoption of the report on credentials;

   (c) Provisional agenda for the first part of the thirty-ninth regular session of the Board

2. FOLLOW-UP TO THE RECOMMENDATIONS ADOPTED BY THE CONFERENCE AT ITS EIGHTH SESSION: Establishment of the terms of reference of the new standing committees and ad hoc working groups

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1/ Approved by the Consultations of the Secretary-General of UNCTAD on 8 April 1992 and circulated in TD/B/L.929, on the understanding that additional procedural items could be added, if necessary, when the Board came to adopt the agenda.

3. INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

(a) New States members of UNCTAD;

(b) Review of the calendar of meetings;

(c) Administrative and financial implications of the actions of the Board;

[To be completed in the light of developments]

4. OTHER BUSINESS

5. ADOPTION OF THE REPORT OF THE BOARD.

II. ANNOTATIONS TO THE PROVISIONAL ACENDA

Introductory note

The secretariat's annotations are intended to furnish essential background information covering the provisional agenda items, together with a brief description of the relevant documentation.

Item 1 PROCEDURAL MATTERS

The rules of procedure of the Board are contained in TD/B/16/Rev.4 and Corr.1.

Item 1(a) Adoption of the agenda and organization of the work of the session

Agenda

At its 797th plenary meeting, on 4 October 1991, the Board approved the provisional agenda for the second part of its thirty-eighth session in TD/B/L.924, and authorized the Secretary-General of UNCTAD, in consultation with the President, to adjust and complete the provisional agenda in the light of developments, in particular the eighth session of the Conference.

This arrangement was on the understanding that any amendments or additions would be subject to consultations with representatives of regional groups within the framework of the consultative machinery established by Board decision 143 (XVI) and Board resolution 231 (XXII).

At the Consultations of the Secretary-General of UNCTAD on 8 April 1992, it was decided that, given the priorities laid down by the Conference for immediate action by the Board, and with the exception of some unavoidable procedural issues, the second part of the thirty-eighth session would be devoted exclusively to institutional issues. A revised provisional agenda was approved by the Consultations (reproduced in section I above), on the understanding that additional procedural items could be added, if necessary, when the Board came to adopt the agenda.

The Consultations further agreed that the substantive items which would have been on the agenda of the session would be considered, together with other items to which delegations had drawn attention, for possible inclusion in the provisional agenda for the Autumn session - which would exceptionally be extended as appropriate in order to accomodate the additional items.

Documentation

TD/B/1314 Annotated provisional agenda

Organization of work

As requested by the Board at its 797th plenary meeting on 4 October 1991, the Secretary-General of UNCTAD consulted delegations on the proposed organization of work of the session and will circulate his suggestions theron.

Documentation

TD/B/1314/Add.1 Organization of work

Item 1(b) Adoption of the report on credentials
(Rule 17.2)

"The Bureau of the Board shall examine the credentials and submit their report to the Board."

in-session documentation

Item 1(c) Provisional agenda for the first part of the thirty-ninth regular session of the Board
(Rule 8)

The Secretary-General of UNCTAD will submit during the session a draft provisional agenda for the first part of the thirty-ninth regular session of the Board.

in-session documentation

Item 2 FOLLOW-UP TO THE RECOMMENDATIONS ADOPTED BY THE CONFERENCE AT ITS EIGHTH SESSION: Establishment of the terms of reference of the new standing committees and ad hoc working groups

In paragraph 64 of the Cartagena Commitment, the Conference agreed that "UNCTAD's intergovernmental machinery and methods of work need to be revised to ensure that all facets of its work programme are fully integrated and reviewed periodically" and specified the objectives which such a process is to serve. Paragraph 65 of the same document states that "UNCTAD's intergovernmental structure shall consist of the Trade and Development Board, standing and special committees, and ad hoc working groups."

Paragraphs 66 to 69 of the Cartagena Commitment define new approaches to the work of the Trade and Development Board and the Board's relationships to its subsidiary bodies. The document states that "the Board will address at one part of its annual sessions a topic relating to the international implications of macro-economic policies and issues concerning interdependence, using the Trade and Development Report as background; and at the

other part it will consider a topic relating to trade policies, structural adjustment and economic reform", and indicates how these and additional topics should be selected for inclusion in the Board's agenda. In that context, the Conference specified that all of the key areas identified in paragraph 63 of the document to "serve as orientations for developing both fresh approaches to long-standing issues and insights for pursuing relevant new lines of work" should be covered by the Board during the period between Conferences. In the same context, the document refers specifically to the Board's responsibilities in connection with UNCTAD's contribution to the United Nations' new agenda for the development of Africa in the 1990s and the review of progress in the implementation of the Programme of Action for the LDCs in the 1990s (paragraph 66). The establishment of specific organizational arrangements for the latter review was also provided for (paragraph 69).

In calling for a strengthening of the policy functions of the Trade and Development Board, the Conference further decided that the Board should meet in short, executive, one-day or half-day sessions at the level of Permanent Representatives immediately before its regular sessions, and periodically in between". The Conference considered that this would facilitate the task of adapting the organization's work to changing world-wide economic circumstances; reviewing work programmes and priorities; promoting greater efficiency; and "reacting to reports from its subsidiary bodies in order to give impetus to ongoing work" (paragraph 67). Finally, the Conference decided that the Board should conduct mid-way between Conferences a review and evaluation of the work programme of the intergovernmental machinery, including its own, of technical assistance programmes, and of the Programme Budget and Medium-term Plan.

Standing Committees

In paragraph 70 of the Cartagena Commitment, the Conference agreed that, with the exception of the Special Committee on Preferences and the Intergovernmental Group of Experts on Restrictive Business Practices, whose terms of reference remain unchanged, the existing Committees of the Board should be suspended and standing committees on the following topics be established:

- Commodities
- Poverty alleviation
- Economic cooperation among developing countries
- Developing services sectors: fostering competitive services sectors in developing countries.

The Conference further agreed (paragraph 72) that the present terms of reference of the Committee on Shipping and of the Committee on Invisibles and Financing related to Trade (Insurance) should be included in that of the standing committee on fostering competitive services sectors in developing countries.

In paragraph 73, the Conference called for the terms of reference of the committees referred to in paragraph 70 to be urgently established by the Board, which should complete this task by the end of the first part of its thirty-ninth session.

Paragraphs 74 to 76 of the document deal with the work programmes of the Committees, periodicity and duration of their meetings, and the review of their functioning prior to UNCTAD IX.

Ad hoc working groups

In paragraphs 77 to 79 of the Cartagena Commitment, the Conference recognized that issues emerging on the international scene which have a bearing on trade and development and new or emerging aspects of long-standing problems in that field require, because of their complexity, detailed analysis, examination and reflection; and provided such subjects are precisely defined, agreed that the necessary in-depth exploration and the identification of possible areas of convergence may be entrusted to working groups established for a period of up to two years. This period may be extended if the Board so decides. Core membership will comprise all interested countries, which will nominate the relevant national experts. Other countries may participate in an observer capacity, while provision will also be made for the participation of outside experts in an advisory capacity, as provided for in paragraph 84.

The Conference decided that these ad hoc working groups should report directly, or through the relevant committee, to the Trade and Development Board - which should decide what, if any, further action is needed.

The Conference requested the Board, as an initial step, to establish, for necessary action by the Secretary-General of UNCTAD, ad hoc working groups to deal respectively with:

I. Investment and financial flows; non-debt-creating finance to development; new mechanisms for increasing investment and financial flows;

II. Trade efficiency;

III. Comparative experiences with privatization;

IV. Expansion of trading opportunities for developing countries;

V. Interrelationship between investment and technology transfers.

* * * * * * *

In paragraph 87, the Conference called for the Trade and Development Board, at its first session following UNCTAD VIII, to take the necessary follow-up measures to ensure the speedy implementation of the above institutional reforms. 1/

Item 3 INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

Item 3 (a) New States members of UNCTAD

On 2 March 1992, the General Assembly admitted nine new States to membership in the United Nations. One of these States (San Marino) is already a member of UNCTAD. The other eight new members are:

Republic of Moldova	(Resolution 46/223)
Kazakhstan	(Resolution 46/224)
Kyrgyzstan	(Resolution 46/225)
Uzbekistan	(Resolution 46/226)
Armenia	(Resolution 46/227)
Tajikistan	(Resolution 46/228)
Turkmenistan	(Resolution 46/229)
Azerbaijan	(Resolution 46/230)

Under the provisions of General Assembly resolution 1995 (XIX), these States automatically also became members of UNCTAD, thus bringing the membership of UNCTAD to 179.

Also in accordance with General Assembly resolution 1995 (XIX) (Section II, paragraph 6), the lists of States for purposes of elections, contained in the annex to that resolution, shall be reviewed periodically by the Conference in the light of changes in membership of the Conference, and other factors.

1/ In order to facilitate consultations among delegations, the Secretary-General of UNCTAD has circulated in TD/B(XXXVIII)/CRP.2 a note containing possible elements for the terms of reference of the Standing Committees and the Ad Hoc Working Groups, as envisaged in the final document of UNCTAD VIII "A New Partnership for Development: the Cartagena Commitment".

Item 3 (b) Review of the calendar of meetings

At its eighth session, the Conference approved the provisional calendar of meetings for the period until the thirty-ninth session of the Trade and Development Board (TD(VIII)/CRP.3), on the understanding that the calendar would be subject to further review by the Board at the second part of its thirty-eighth session.

in-session documentation

Item 3(c) Administrative and financial implications of the actions of the Board

The Board will be informed during the session of the administrative and budgetary implications of any proposals before it.

Item 5 ADOPTION OF THE REPORT OF THE BOARD

In accordance with Board decision 259 (XXV), two versions of the report of the Board are prepared: (a) the report of the Board to the General Assembly, containing the resolutions and decisions of the Board and any other material which the Board decides to transmit to the Assembly; and (b) the full account of the Board's proceedings, which constitutes the Official Records of the Board's session.

in-session documentation

(389)

UNITED
NATIONS

TD

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/1314/Add.1
15 April 1992

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Thirty-eighth session
Second part
Geneva, 21 April 1992
Item 1 (a) of the provisional agenda

ADOPTION OF THE AGENDA AND ORGANIZATION OF THE WORK OF THE SESSION

Addendum

Organization of work

1. The annotated provisional agenda for the second part of the thirty-eighth session of the Board is contained in TD/B/1314.

2. Proposals for the organization of the work of the session were considered and approved at the Consultations of the Secretary-General of UNCTAD on 8 April 1992.

Duration of the session

3. The second part of the thirty-eighth session of the Board will open at 3.00 p.m. on Tuesday, 21 April 1992, in Room XX at the Palais des Nations, Geneva. It is scheduled to close on Friday, 1 May.

Plenary

4. The Secretary-General's Consultations decided that, except for unavoidable procedural issues, the session would be devoted exclusively to institutional questions. There will be only two plenary meetings - an opening plenary on 21 April and a closing plenary on 1 May 1992.

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5. Plenary will deal with all procedural matters. In addition, the Secretary-General's Consultations recommended that the Board use the opening plenary to establish an open-ended working group of the whole for the purpose of making recommendations to the Board on the draft terms of reference of the new Standing Committees and ad hoc working groups, and the closing plenary to adopt the recommendations of the working group of the whole.

Establishment of a sessional body

6. As noted above, the Secretary-General's Consultations recommended that the Board establish a Working Group of the Whole for the consideration of item 2. The Working Group would be open-ended and would meet informally. The Working Group may also wish to establish as appropriate drafting groups to expedite its work.

Tentative timetable of meetings

7. A tentative timetable for the session is annexed hereto.

Pre-sessional meeting of the Bureau of the Board

8. At the Consultations of the Secretary-General of UNCTAD, on 8 April 1992, it was agreed that delegations would continue their consultations on draft terms of reference for the new bodies, and that the Bureau of the Board would meet on the morning of 21 April to take stock of developments in this regard, prior to the opening of the Board session.

In order to allow time for Group meetings beforehand, the meeting of the Bureau will be convened at 12 noon on 21 April.

Trade and Development Board
Thirty-eighth session
Second part

FIRST WEEK
(21 - 24 April 1992)

Monday 20 April	TUESDAY 21 April	WEDNESDAY 22 April	THURSDAY 23 April	FRIDAY 24 April
	Group Meeetings 12 noon BUREAU Stocktaking of delegations' informal consultations on draft terms of reference	Group meetings as required 11 a.m. Working Group of the Whole	10 a.m. Working Group of the Whole	10 a.m. Working Group of the Whole
	3 p.m. PLENARY Opening of the session 1(a) Adoption agenda and organization of work 3(a) New States members Establishment of Working Group of the Whole followed by Working Group of the Whole	3 p.m. Working Group of the Whole	3 p.m. Working Group of the Whole	3 p.m. Working Group of the Whole

SECOND WEEK
(27 April - 1 May 1992)

MONDAY 27 April	TUESDAY 28 April	WEDNESDAY 29 April	THURSDAY 30 April	FRIDAY 1 May
Group meetings as required 11 a.m. Working Group of the Whole	10 a.m. Working Group of the Whole	10 a.m. Working Group of the Whole	Group meetings as required 12 noon BUREAU Credentials Other matters	
3 p.m. Working Group of the Whole	3 p.m. Working Group of the Whole	3 p.m. Working Group of the Whole		PLENARY 1(b) Credentials 1(c) Prov. agenda for TDB 39/I 3(b) Calendar 3(c) Financial impl. Report of the Working Group of the Whole 4 Other business 5 Adoption of the report of the Board